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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 000561

SIPDIS

DEPT FOR NEA/ARP, ISN/RA

E.O. 12958: DECL: 05/13/2018
TAGS: <u>KNNP</u> <u>ENRG</u> <u>PREL</u> <u>PARM</u> <u>KU</u>

SUBJECT: PROPOSED VISIT BY SPECIAL ENVOY WOLCOTT AND

NUCLEAR ENERGY DEL TO KUWAIT

REF: A. SECSTATE 48644 <u>¶</u>B. 07 KUWAIT 852

Classified By: DCM Alan G. Misenheimer for reasons 1.4 (b) and (d).

- ¶1. (SBU) Post welcomes the proposed visit by Special Envoy Wolcott and her delegation and is working to confirm availability of appropriate interlocutors on June 10. We do not foresee any problems in arranging meetings on that date, but confirming Kuwaiti participation at this point is difficult. Government offices just reopened after three days of mourning following the death of the former Amir. More significantly, a new Cabinet will be named within two weeks after the May 17 Parliamentary elections. For now, we do not know who the new Electricity or Oil Ministers will be, or indeed whether these two ministries will once again be consolidated under a single Energy Minister. The ministries' front offices are hesitant to commit to any meetings that we request for the post-election period. Meanwhile, we will coordinate with the MFA and the Kuwait Institute for Scientific Research (KISR) to arrange a preliminary schedule.
- 12. (C) The GOK's consideration of nuclear power is still in a very preliminary, conceptual phase. Although Kuwait subscribes to the GCC policy statement supporting the development of civil nuclear power for peaceful purposes, the GOK has not expressed any serious interest in building nuclear facilities or investing in significant nuclear research in Kuwait. We have seen no indications that the GOK has engaged in any meaningful discussions with any countries outside the GCC on possible nuclear cooperation.
- 13. (C) Kuwait does suffer from a shortage of electrical generating capacity compared to its exceptional rate of power consumption per capita; to remedy this shortfall, however, the GOK's focus thus far has been on producing and importing more natural gas and, over the long-term, investing in solar and wind power as it tries to make a larger proportion of its oil and refined products available for export. Kuwait would certainly benefit from a reactor in a neighboring country providing electricity to the common GCC power grid. The GOK has not ruled out the option of domestic nuclear power, but it has not committed any resources to explore the feasibility of investing in its own nuclear facilities.
- 14. (C) It is worth noting that Kuwait suffers from a sclerotic and corruption-ridden government contracting system that has hampered its ability to invest in major infrastructure projects, especially in the area of power generation (Ref. B). GE Energy in Houston can offer specific examples to illustrate the challenges faced in trying to implement major projects in Kuwait.
- 15. (C) Additionally, Kuwait has no real indigenous research and development capability. KISR is a research organization in name only. Kuwait University also cannot be described as a credible research institution. A blue-ribbon panel

commissioned by the Amir last year to make recommendations on improving Kuwait's R&D capacity proposed that KISR's petroleum research division be abolished and rebuilt from scratch because of its ineffectiveness. The panel determined that GOK should focus its R&D investment on petroleum/petrochemical research, water technology, and renewable energy (to include wind, solar, and clean fuel). Within KISR, nuclear matters fall under the authority of Dr. Dhari Al-Ajmi, Director of Environment and Urban Development Division, but Dr. Al-Ajmi was trained in Atmospheric Sciences, and KISR's interest in the nuclear field seems to be limited to preparing for the contingency of an accident at Iran's Bushehr reactor which is located only 150 miles due east across the Gulf from Kuwait's shores.

16. (C) Kuwait does, however, have at least one reputable expert in nuclear energy. Dr. Adnan Shihab-Eldin, who resides in Vienna, holds a Ph.D. in nuclear engineering from Berkeley, worked for a number of years at the IAEA and UNESCO's Regional Office for Science and Technology, and served as OPEC's Director of Research from 2001 to 2006 and Acting Secretary General in 2005. We have been told that he is leading the GCC panel assigned to explore nuclear energy options. We will encourage the GOK to make Dr. Shihab-Eldin available to Ambassador Wolcott and her team.

Visit Kuwait's Classified Website:
http://www.state.sgov.gov/p/nea/kuwait/

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**JONES**